

EXHIBIT 3

DECLARATION OF MARK BECKER

I, Mark Becker, declare as follows:

1. I am the President of the Association of Public & Land-grant Universities (“APLU”). I have held that position since September 2022. I previously served as a member of APLU’s Board of Directors and as Chair of the Board for the Coalition of Urban Serving Universities. Prior to leading APLU, I spent more than three decades at the different types of universities that comprise APLU’s membership, including as a post-doctoral fellow, professor, dean, provost, and university president. I make this declaration in support of Plaintiffs’ Complaint in this matter and the forthcoming Emergency Motion for a Temporary Restraining Order.

2. As President of APLU, I have personal knowledge of the contents of this declaration, or have knowledge of the matters based on my review of information and records gathered by APLU personnel or personnel of our members, and could testify thereto.

3. Founded in 1887, APLU is a membership organization that fosters a community of university leaders collectively working to advance the mission of public research universities. Its U.S. membership consists of more than 230 public research universities, land-grant institutions, state university systems, and affiliated organizations spanning across all 50 U.S. states, the District of Columbia, and six U.S. territories. Our members include universities ranging from rural to urban institutions, and from emerging research institutions to the most highly intensive centers of academic research. APLU and its members collectively focus on increasing student success and workforce readiness, promoting pathbreaking scientific research, and bolstering economic and community engagement.

4. In particular, APLU supports a community of public research university leaders to address the challenges facing their communities, states, country, and world. APLU advocates for “public impact research,” a broad label used to describe how university research positively impacts

society, and it strives to help university leaders emphasize the value of collaborative research with communities. APLU's member institutions, in turn, are on the front lines seeking solutions to the challenges and threats facing society.

5. The federal government has selected APLU member institutions to conduct a wide variety of vital research projects on behalf of American citizens, funded in part by agency awards from across the federal government, including but not limited to the National Science Foundation (NSF). For example, in fiscal year 2023, APLU member institutions received more than \$4.6 billion in research and development funds from NSF. And many APLU institutions have plans to apply for future NSF awards. In working with universities, the federal government has an efficient and cost-effective partner for conducting the research it funds on behalf of the American people.

6. APLU member institutions rely on federal support from NSF to fund merit-based fundamental research across a wide range of science and engineering disciplines including mathematics and physical sciences; computer and information science; geoscience; biological sciences; and social, behavioral, and economic sciences. NSF funding is also used by APLU members to support science, math, and engineering education at the undergraduate and graduate levels, which are essential to maintaining the highly skilled science and technology workforce that is essential for the United States to compete globally. NSF supported researchers have been integral to the development of groundbreaking discoveries and novel technologies – stimulating new industries and enhancing health and national security. For example, NSF-funded research supported technological advancements such as artificial intelligence, nanotechnology, 3-D printing, next generation computer chips, MRI scans, LASIK eye surgery, and improved Geographic Information Systems (GIS). As competition with China heightens in these critical and

emerging technology sectors, the United States will be ill-equipped to compete if university researchers are sidelined due to the indirect cost cuts.

7. APLU member universities include, among many others, Plaintiffs Arizona State University, the University of California, Cornell University, the University of Illinois Urbana-Champaign, the Massachusetts Institute of Technology, the University of Michigan, and the University of Minnesota. I understand that these APLU members are submitting declarations in this litigation, which provide institution-specific detail on the matters described here.

8. Research funded by NSF at APLU member universities has a direct impact on critical research that supports the United States' national security, public safety, and scientific dominance.

9. On a typical NSF grant, the funding amount must cover both "direct costs," which are expenses directly related to the specific grant activity, and "indirect costs," which cover essential overhead expenses such as facilities, equipment, utilities, support staff, and financial administration. Indirect costs also include operations that allow research to proceed safely and responsibly, such as proper hazardous waste disposal and compliance with government regulations regarding animal and human subject safety. Indirect cost reimbursements are vital to the operation of the federally funded research system, which includes the NSF-sponsored activities conducted at APLU member institutions. Direct allocable costs on NSF awards fall well short of covering the real, comprehensive cost of sponsored research, as they do not reflect the full facilities and administration costs that APLU member institutions must incur in order to be able to perform the work.

10. On May 1, 2025, NSF issued a policy notice titled "Implementation of Standard 15% Indirect Cost Rate. ("NSF Policy"). The NSF Policy provides that "[e]ffective May 5, 2025,"

instead of using the negotiated indirect cost rate for universities, “NSF will apply a standard indirect cost rate not to exceed 15% to all grants . . . awarded to [universities] for which indirect costs are allowable.” The Rate Cap Policy applies this limit on indirect cost rates only with respect to universities, not to other recipients of NSF grants.

11. The NSF policy creates an impending financial emergency for many APLU member institutions that rely on NSF funding, impacting institutions both small and large. If the policy is permitted to remain in effect, it will harm research at APLU member institutions—research that directly benefits society and American competitiveness. Such a dramatic reduction in allowable indirect costs on new awards will impair the universities’ ability to conduct sponsored research in compliance with all applicable laws.

12. Specifically, a reduction in the indirect cost rate to 15% for new awards will lead to cuts in the operating budget for personnel who support the research enterprise both directly and indirectly, including research staff, research administration officers, security, technical maintenance, financial staff, and janitorial staff. It will also have harmful impacts on lab maintenance, library operations, IT operations, the purchase and renovation of specialized facilities, and utilities. Moreover, this harm is not limited to monetary damages that can be rectified with a compensatory award later on. Even if the indirect cost rate were increased at a later date, if a research facility must be closed in the interim because its operation and maintenance can no longer be supported, or if key personnel or materials are lost, then the APLU member institution would immediately lose its ongoing investment in that research infrastructure and likely have a diminished ability to restart or undertake that research in the future.

13. I understand several APLU member universities will explain in their own declarations the devastating harm the reduction in indirect cost funding for future grant awards will cause them. But I offer a few examples to illustrate the crisis our members are facing.

- a. Cleveland State University relies on NSF funded to support critical and cutting-edge research in tissue engineering to improve muscle and nerve regeneration after major injuries as well as quantum circuitry and deep learning. If the indirect cost rate is reduced to 15%, that will force the slowdown or cessation of such research projects. It will also result in immediate staffing reductions, including 3 sponsored program support staff members within weeks; it also threatens the key role of the facilities manager in the Center for Gene Regulation in Health and Disease (GRHD), without whom research in GRHD is not possible.
- b. The University of Colorado Boulder faces a reduction in annual indirect cost recovery for NSF awards from \$30.2 million to \$8 million under the 15% rate – *i.e.*, an annual loss of \$22.2 million. That cut will require the University to, among other things, reduce staff in its Office of Research Integrity and research compliance, limiting its ability to, *e.g.*, protect technologies and national security expertise from inappropriate access by foreign adversaries. Under its current indirect cost allocation, the cut to 15% corresponds to a loss of approximately 85 positions in the Office of Contracts and Grants, Campus Controller Office, Research Compliance and Export Controls, and other support offices. Moreover, the University has dozens of NSF proposals currently in process or pending review: if they are subject to a 15% cap, the University's

capacity to drive critical scientific and technological advances—in quantum science, materials innovation, and national infrastructure resilience—will be significantly hampered. Eleven of those proposals are part of the Designing Materials to Revolutionize and Engineer Our Future program, which supports next-generation materials for thermoelectrics, quantum switching, polymer composites, and biohybrid catalysis, all technologies essential to energy, defense, and high-performance computing.

- c. The University of Florida will lose approximately \$11 million annually in indirect cost recovery if the 15% rate applies, requiring it to immediately begin reducing staff in semiconductor cleanrooms, its Research Integrity, Security & Compliance office, its Division of Sponsored Programs (at least 6-8 positions), and its Research Division of Contracts & Grants (at least 6-8 positions).
- d. The University of Michigan's indirect cost recovery will drop by approximately \$55 million annually if the indirect cost rate is reduced to 15%. This will have immediate impacts, including imposing severe operational constraints on the Center for Materials Characterization and its nanocomposites research for advanced defense structures as well as pausing and slowing critical work at the Advanced Research Computing Center related to critical AI-accelerated materials design, quantum-device simulation, and autonomous-vehicle perception work. The reduction would also necessarily and immediately result in staffing reductions across the board, including researchers, technicians, and graduate students; interrupted maintenance of hazardous chemicals, high-voltage systems, and radiation sources, necessitating safety shutdowns; and

damage to precision tools in the GPU cluster, nanofabrication, and microscopy facilities.

- e. The University of Nevada, Reno, will be required to lay off roughly 20-30 grant support and technical personnel within a matter of weeks under the 15% indirect cost cap, including key sponsored projects staff, grant accountants, lab technicians, and compliance officers. That staff reduction will significantly hamper the University's ability to manage active research awards and ensure federal compliance, and it will be a major challenge to rehire and retrain personnel even if funding were later restored. The University will also be forced to halt scheduled maintenance on critical research infrastructure, delay upgrades to data security systems, and pause planned renovations of outdated laboratories necessary to comply with safety and cybersecurity standards.
- f. The University of New Hampshire has already been notified of one award it will likely not be able to accept at a 15% indirect cost rate simply because there are no other sources of funds to cover the indirect costs of that research. It is also leading a \$10 million, five-year, multi-institutional proposal due in June: collaborating partner institutions have already indicated they are unlikely to continue with the project at the 15% rate, and without those partners, the University will not be able to submit that proposal and stands to lose approximately \$3 million in indirect costs over the lifetime of the grant.
- g. Stony Brook University reasonably expects to receive roughly \$11.4 million in indirect cost recovery on an annual basis for the next five years, but with the 15% rate cap policy, that will be reduced by about \$6 million – more than 50%.

That reduction will require the University to reduce administrative staff essential to its ability to conduct research: the anticipated \$6 million reduction will force the immediate reductions of about 50 staff members, grinding the University's research support function to a halt immediately. The 15% rate cap will preclude the University from its research into quantum information science and technology, which has yielded the nation's most advanced quantum network – a critical defense technology.

- h. The University of Vermont will be forced to slow down or stop many of its current research projects as it faces a significant cut to its anticipated annual indirect cost recovery – from \$3.9 million to \$1.1 million. Twelve NSF-funded researchers have funding that will end in 2025 and have proposals to continue their work that are pending; receiving an award is essential to continue their research programs, retain their technical staff, and support graduate student trainees. Yet with the cut in indirect cost recovery, those researchers will be forced to wind down research activities and terminate long-time lab managers and technicians.

14. The devastating impact of the NSF policy is not limited to APLU member institutions. Many APLU member institutions are the largest employers in their states and local regions. If the reduction in the indirect cost rate requires personnel cuts, that loss of employment will not only harm the affected employees and their families, but also the overall economic stability of APLU member institutions' local communities. The APLU member institution may also have to reduce the amount of equipment, labor, and local services used to maintain its facilities, lowering the overall economic activity in the local area.

15. More broadly, the NSF policy will undermine the continuity and feasibility of sponsored research that results in breakthroughs sought by NSF, which provide significant social and economic value to the nation. The United States is a stronger, more secure, and more economically vibrant country as a result of the collective benefits arising from federally sponsored research. In addition, the next generation of scientists, engineers, and other skilled workers develop their critical expertise while learning and working at research universities such as APLU member institutions. The NSF policy would drastically reduce the positive impact of this work, as well as the pipeline of educated professionals that U.S. industry relies on to be internationally competitive. Slowdowns or halts in NSF funded research by APLU member institutions will allow competitor nations, who are properly maintaining their investments in research, to surpass the United States on this front, threatening American national security and economic dominance.

16. Quick relief is needed to protect against these disastrous consequences. Even if the NSF policy is ultimately rescinded or held to be invalid, APLU member institutions do not have the ability to cover such a dramatic reduction in indirect cost recovery during the course of protracted litigation. Nor can APLU member institutions' endowments be simply redirected to make up for these losses. Endowments are an important institutional asset that provide universities with stability over time, allowing campus leaders to think long-term about how best to meet the needs of their communities. Endowments are also complex assets with many legal requirements stipulating how they can be used. And not all universities have large endowments, or any endowment at all—in fact, of the public institutions that have endowments, nearly half are valued at less than \$50 million. Even for the public universities with the largest endowments, they are still relatively modest after taking into account the student populations of those institutions. It is important to consider an institution's endowment size relative to the number of students that

institution serves—individual public universities can serve tens of thousands of students, and the largest public university systems serve hundreds of thousands of students.

17. While there is some variation among states and institutions, public universities typically receive substantial operational funding from their states for education, but they rely largely on the federal government for support for scientific research. Public universities cannot expect states will fill the substantial financial gaps created by NSF's reduced indirect cost coverage on future awards. Further, many public universities foresee substantial financial challenges ahead given the potential for an economic downturn combined with national demographic trends that create substantial enrollment challenges for many state institutions.

18. As non-profit institutions, APLU member institutions reinvest nearly all of their revenues into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In other words, unlike for-profit organizations, APLU member institutions do not generate significant financial surpluses that can be redirected without impacting core academic priorities such as education programs and financial aid support for students.

19. Absorbing the cost of a lower indirect cost rate on new grants, even if it were possible, would also create long-term budget pressures on APLU member institutions—which would in turn force reductions in key investments supporting APLU member institutions' faculty, students, staff, research, and teaching infrastructure, as well as other critical activities needed to maintain APLU member universities' academic excellence.

20. If APLU member institutions must choose between not applying for future awards and maintaining any future awards at a 15% indirect cost rate that does not cover their true costs, they will often have to choose not to apply for future awards—as many institutions will not be able to sustain the research discussed here at that rate.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 7, 2025, in Washington, D.C.

/s/Mark Becker

Mark Becker, Ph.D.